
TAB 26

Life Insurance Company of North America
1601 Chestnut Street, Philadelphia, Pennsylvania 19192-2235

BLANKET ACCIDENT POLICY

POLICYHOLDER:	Jockeys' Guild, Inc.
POLICY NUMBER:	SPS-933579
POLICY EFFECTIVE DATE:	April 1, 2001
POLICY TERM:	April 1, 2001 - April 1, 2002
STATE OF ISSUE:	Kentucky

This policy takes effect at 12:00 A.M. on the Policy Effective Date shown above. It will remain in effect for the duration of the Policy Term shown above if the premium is paid according to the agreed terms. This Policy terminates at 12:00 A.M., on the last day of the Policy Term unless the Policyholder and We agree to continue coverage under this Policy for an additional Policy Term. If coverage is continued for an additional Policy Term and the required premium is paid on or before the premium due date, We will issue a Rider to identify the new Policy Term.

We and the Policyholder agree to all the terms of this Policy.



Secretary



President

Countersigned _____

Where Required By Law

THIS IS A BLANKET ACCIDENT INSURANCE POLICY. IT IS A LEGAL CONTRACT BETWEEN LIFE INSURANCE COMPANY OF NORTH AMERICA, A STOCK INSURANCE COMPANY HEREIN CALLED WE, US OR OUR, AND THE POLICYHOLDER. PLEASE READ THIS POLICY CAREFULLY. BENEFITS ARE NOT PAID FOR LOSS DUE TO SICKNESS. THIS POLICY PAYS BENEFITS FOR SPECIFIC LOSSES FROM ACCIDENT ONLY.

NON-PARTICIPATING

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SCHEDULE OF BENEFITS

SECTION 1

This Schedule provides a brief outline of the coverage and benefits provided by this Policy. Please read the Sections specified below for full details.

Eligible Persons:

All members of the Jockeys' Guild, Inc. who are licensed as a jockey or apprentice jockey and pay \$3.00 per mount membership dues.

CONDITIONS OF COVERAGE:

Participation at racetracks located in the United States, except for racetracks located in:

California;
Delaware, unless the Covered Person has not yet met Delaware's minimum ride requirements;
Maryland;
Massachusetts, except for races held at the Three County Fair in Northampton and Brockton Fair;
New Hampshire;
New Jersey; and
New York

EXPENSE-INCURRED MEDICAL BENEFITS

Section 5

Unless otherwise specified, any deductibles, benefit limits and benefit percentages for Expense-Incurred Medical Benefits apply on a per Covered Person - per Covered Accident basis.

SCOPE OF COVERAGE APPLICABLE TO

Section 5-SOC

EXPENSE-INCURRED MEDICAL BENEFITS Full Excess Medical Expense

ACCIDENT MEDICAL EXPENSE BENEFIT

Section 5-AME

Total Maximum for all	
Accident Medical Expense Benefits:	\$1,000,000
First Covered Expenses must be Incurred within:	182 days after the Covered Accident
Benefit Period:	5 years from the date of Covered Accident
Deductible:	\$100,000
Deductible Must be Satisfied within:	2 years from the Date of the Accident

Covered Expenses

Benefit Percentage And Other Limits

In-Patient Hospital Services

Room and Board Expenses:

Intensive Care Unit: 100%

Private/Semi-Private Room: 100%

Hospital Miscellaneous Expenses: 100%

Emergency Room: 100%

Physician Services

Surgery: 100%

Assistant Surgeon: 100%

Use of Physician's Surgical Facilities: 100%

Second Opinion or Consultation: 100%

Anesthesia and its Administration: 100%

In-Hospital Visits: 100%

Office Visits: 100%

Out-Patient X-Ray and Laboratory Treatment: 100%

Physiotherapy	100%
Ambulance Services	100%
Medical Equipment Rental	100%
Medical Services and Supplies	100%
Dental Services	100%
Prescription Drugs	100%
Eyeglasses, Contact Lenses and Hearing Aids	100%
Artificial Limbs, Eyes and Larynx	100%

RATE TABLE

Premium Rate: \$969 Per Covered Person

Mode of Premium Payment: Annually

Contributions: The cost of the coverage is paid by the Policyholder.
Minimum and deposit premiums are fully earned and non-refundable

GENERAL DEFINITIONS

SECTION 2

Please note that certain words used in this Policy have specific meanings. The words defined below and capitalized within the text of this Policy have meanings set forth below.

Accident	A sudden, unforeseen, external event that results in Injury to a Covered Person.
Benefit Percentage	The percentage We pay of Covered Expenses Incurred by a Covered Person. Benefit Percentages are shown in the <i>Schedule of Benefits</i> .
Benefit Period	A period, commencing with the date of a Covered Accident, during which Benefits are payable.
Covered Accident	An Accident that: <ol style="list-style-type: none">1. occurs while the Covered Person is insured under this Policy; and2. occurs while the Covered Person is participating in, attending or performing duties of the Policyholder.
Covered Activity	An authorized function as shown in the <i>Schedule of Benefits</i> : <ol style="list-style-type: none">1. in which the Covered Person participates, attends or performs duties.
Covered Expenses	The Usual and Customary charges for services or supplies listed in the <i>Schedule of Benefits</i> , and described in any <i>Expense-Incurred Medical Benefit Section 5</i> , that the Covered Person Incurs for treatment of Injury. A Physician must recommend and approve these services or supplies.
Covered Person	An Eligible Person, as defined in the <i>Schedule of Benefits</i> , for whom required premium payment has been made and coverage under this Policy remains in force.
Deductible	The amount of Covered Expenses that each Covered Person must incur before benefits are paid under this Policy. A covered Person may use Covered Expenses paid under another Health Care Plan to satisfy the Deductible under this policy.
Health Care Plan	A policy or other benefit or service arrangement for medical or dental care or treatment under: <ol style="list-style-type: none">1. group or blanket coverage, whether on an insured or self-funded basis;2. hospital or medical service organizations on a group basis;3. Health Maintenance Organizations on a group basis;4. group labor-management plans;5. employee benefit organization plans;6. association plans on a group or franchise basis;7. any other group employee welfare benefit plan as defined in the Employee Retirement Income Security Act of 1974, as amended; or8. Automobile No-Fault Coverage.
Hospital	An institution that meets all of the following tests: <ol style="list-style-type: none">1. it is licensed as a hospital pursuant to applicable law;2. it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons;3. it is managed under the supervision of a staff of medical doctors;4. it provides 24-hour nursing services by or under the supervision of a graduate registered nurse (R.N.);5. it has medical, diagnostic and treatment facilities, with major surgical facilities on its premises, or available to it on a prearranged basis; and6. it charges for its services. <p>The term Hospital does not include a clinic or facility for:</p> <ol style="list-style-type: none">1. rehabilitation, convalescent, custodial, educational or nursing care; and2. the aged, drug addicts or alcoholics.

Hospital Stay	A confinement in a Hospital over one or more nights when room and board and general nursing care are provided at a per diem charge made by the Hospital. Separate Hospital Stays due to the same Covered Accident will be treated as one Hospital Stay unless separated by at least 90 days.
Incurred or Incurs	A Covered Expense for treatment service or purchase of supplies will be deemed Incurred on the date the treatment or service is rendered or the purchase is made.
Injury	Any bodily harm that is a direct result of and from no other cause but, a Covered Accident.
Nurse	A licensed graduate registered nurse (R.N.) or a licensed practical nurse (L.P.N.).
Physician	<p>A licensed health care provider practicing within the scope of his or her license and rendering care and treatment to a Covered Person that is appropriate for the condition and locality. The term does not include:</p> <ol style="list-style-type: none"> 1. the Covered Person; 2. the Covered Person's spouse; 3. a parent, sibling, spouse or child of either the Covered Person or Covered Person's spouse; 4. a person living in the Covered Person's household; 5. a person employed or retained by the Policyholder; or 6. a person providing homeopathic, aroma-therapeutic, or herbal therapeutic services.
Policyholder	The entity, named on this Policy's face page, to which We issue this Policy.
Sound and Natural Tooth	<p>A tooth:</p> <ol style="list-style-type: none"> 1. with no fillings or cavities or only fillings or cavities that do not undermine the tooth cusps; 2. for which pulpal tissues are healthy and intact; and 3. for which periodontal tissue shows little or no signs of active or chronic inflammation. <p>For insurance review purposes, each tooth unit is evaluated under these criteria rather than a blanket rating of the whole mouth.</p>
Usual and Customary Charge	<p>The normal charge, in the absence of insurance, of the provider for a necessary supply or service, but not more than the prevailing charge in the area:</p> <ol style="list-style-type: none"> 1. for a like service by a provider with similar training or experience; or 2. for a supply that is identical or substantially equivalent. <p>Where appropriate, We will determine the Usual and Customary Charge based on the California Relative Value Scale (CRV). The final determination of a Usual and Customary Charge rests solely with Us.</p>

INSURANCE PROVISIONS FOR COVERED PERSONS

SECTION 3

Eligibility For Insurance	A person is eligible for coverage under this Policy when he meets the definition of Eligible Person shown in the <i>Schedule of Benefits</i> . An Eligible Person may be insured under only one class of Eligible Persons in the <i>Schedule of Benefits</i> , even though the person may be eligible under more than one Class.
Effective Insurance	<p>Date Of An Eligible Person is a Covered Person on the latest of:</p> <ol style="list-style-type: none"> 1. the Policy Effective Date; and 2. the date We receive required premium payment; and 3. the date the person is eligible.

- Termination Of Insurance Insurance for a Covered Person will end on the earliest of:
1. the date the person is no longer in an Eligible Class; and
 2. the date the person enters full time active duty in any Armed Forces. We will refund any premium paid for any active duty when We receive proof of active duty. Active duty does not include Reserve or National Guard duty for training; and
 3. the end of the period for which the last premium is made and
 4. the date this Policy ends.

Termination does not affect a claim for a covered loss due to a Covered Accident that occurs before the termination date. However, in no instance will benefits extend beyond the earlier of:

1. the end of the Benefit Period; and
2. the date benefits equal to any applicable Benefit Limit, as shown in the *Schedule of Benefits*, have been paid.

CONDITIONS OF COVERAGE

Policyholder Covered Activities

We pay benefits described in this Policy when a Covered Person suffers a Covered Accident during one of the Covered Activities in the *Schedule of Benefits*. Unless otherwise specified, We pay benefits for a Covered Accident only once. This limit applies even if coverage was provided under more than one Covered Activity. Covered Activities are shown in the *Schedule of Benefits*.

The Covered Activity must take place:
away from the premises of the Policyholder while attending or participating in a Covered Activity at its scheduled site.

SECTION 4

EXPENSE-INCURRED MEDICAL BENEFITS

SECTION 5

SCOPE OF COVERAGE APPLICABLE TO EXPENSE-INCURRED MEDICAL BENEFITS

SECTION 5A

Covered Expenses and any applicable Deductibles are shown in the *Schedule of Benefits*.

Full Excess Medical Expense

We pay Covered Expenses:

1. after the Covered Person satisfies any Deductible; and
2. only when they are in excess of amounts paid by any other Health Care Plan.

We pay benefits without regard to any Coordination of Benefits provision in such Health Care Plan.

ACCIDENT MEDICAL EXPENSE BENEFIT

SECTION 5B-AME

We pay Accident Medical Expense Benefits for Covered Expenses Incurred by a Covered Person that result directly and from no other cause from a Covered Accident. Accident Medical Expense Benefit payments are subject to any Accident Medical Expense Deductible, Benefit Percentage, Benefit Period, Benefit Limits, Total Maximum for all Accident Medical Expense Benefits and any applicable Policy Aggregate Maximum shown in the *Schedule of Benefits*, and in the Non-Duplication of Benefits provisions in *Limitations Section 8* of this Policy.

Benefits will be paid:

1. as long as the first expense has been Incurred within the number of days specified in the *Schedule of Benefits*; and
2. until any applicable Benefit Period shown in the *Schedule of Benefits* has expired.

COVERED EXPENSES:

In-Patient Hospital Services

Room and Board Expenses - We pay for:

1. confinement in an intensive care unit for each day of such confinement.
2. any other confinement for each day of the Hospital Stay

Miscellaneous Expenses - We pay the Miscellaneous Expenses charged by a Hospital or ambulatory surgical center for outpatient surgery. Miscellaneous Expenses include, but are not limited to, X-ray, laboratory, in-hospital physiotherapy, nursing services and all necessary charges other than room and board, for services received during a Hospital Stay.

Emergency Room - We pay Covered Expenses Incurred for emergency room treatment performed in a Hospital.

Physician Services

We pay Covered Expenses Incurred for the Physician Services listed below.

Surgery -

1. Covered Expenses charged for performing a surgical procedure. Two or more surgical procedures through the same incision will be considered as one procedure. However, We pay up to 150% of the benefit for a surgical procedure when more than one surgical procedure through different operating fields is performed during the same surgical session; and
2. Covered Expenses charged by an assistant surgeon assisting a Physician performing a surgical procedure.

Use of Physician's Surgical Facilities - Covered Expenses charged for the use of the Physician's surgical facilities.

Second Opinion or Consultation - Covered Expenses charged by a Physician for a second surgical opinion, or consultation.

Anesthesia and its Administration - Covered Expenses charged by a Physician for anesthesia and its administration.

In-Hospital or Office Visits - Covered Expenses charged by a Physician for other than pre- or post-operative care, second opinion or consultation:

1. for in-Hospital visits; and
2. for office visits.

Out-Patient X-Ray And Laboratory Treatment

We pay Covered Expenses Incurred for X-ray and laboratory tests, except dental X-rays.

Physiotherapy

We pay Covered Expenses Incurred for out-patient Physiotherapy. Physiotherapy means: (a) acupuncture; (b) microthermy; (c) adjustment; (d) manipulation; (e) diathermy; (f) massage therapy; (g) heat treatment; and (h) ultrasonic treatment.

Ambulance Services

We pay Covered Expenses Incurred for ground or air ambulance service to transport the Covered Person from the place where the Covered Accident occurred to the nearest medically appropriate facility.

Medical Equipment Rental	<p>We pay Covered Expenses Incurred for rental or, if less, the purchase of:</p> <ol style="list-style-type: none"> 1. a wheelchair; or 2. other medical equipment that has therapeutic value for the Covered Person and that can only be used by the Covered Person. Therapeutic value is solely determined by Us. Examples of items that are not covered include, but are not limited to: computers, motor vehicles and modifications thereof, ramps and installation costs, eyeglasses and hearing aids.
Medical Services And Supplies	<p>We pay Covered Expenses Incurred for:</p> <ol style="list-style-type: none"> 1. blood and blood transfusions; and 2. oxygen and its administration. <p>We do not pay for storage of blood for any reason.</p>
Dental Services	<p>We pay Covered Expenses Incurred for dental treatment, including X-rays, for Injury to a tooth that was a Sound and Natural Tooth at the time of Injury. Covered Expenses must be incurred within six months of a Covered Accident. If there is more than one way to treat a dental problem, We pay based on the least expensive procedure if that procedure meets commonly accepted dental standards of the American Dental Association.</p>
Prescription Drugs	<p>We pay Covered Expenses Incurred for drugs that can only be obtained through a Physician's prescription.</p>
Eyeglasses, Contact Lenses And Hearing Aids	<p>When damage occurs in the same Covered Accident that requires medical treatment, We pay Covered Expenses incurred for:</p> <ol style="list-style-type: none"> 1. eyeglasses and contact lenses; or 2. hearing aids.
Artificial Limbs, Eyes And Larynx	<p>We pay Covered Expenses Incurred for initial artificial limbs, eyes or larynx, including fitting. We do not pay for repair or replacement of artificial limbs, eyes or larynx.</p>
Expenses Not Covered	<p>The following will not be considered Covered Expenses unless coverage is specifically provided. Additional Exclusions and Limitations that apply to this Benefit are in <i>Common Exclusions Section 7</i>, and <i>Limitations Section 8</i>.</p> <ol style="list-style-type: none"> 1. Cosmetic surgery, except for reconstructive surgery needed as the result of an Injury. 2. Any elective treatment, surgery, health treatment, or examination. 3. Blood, blood plasma, or blood storage, except expenses by a Hospital for processing or administration of blood. 4. Services or treatment provided by persons who do not normally charge for their services, unless there is a legal obligation to pay. 5. Rest cures or custodial care. 6. Repair or replacement of existing dentures, partial dentures, braces or bridgework. 7. Personal services such as television and telephone or transportation. 8. Orthopedic appliances used mainly to protect an Injury so that a Covered Person can take part in interscholastic, intercollegiate and club sports. 9. Treatment or service provided by a private duty nurse. 10. Replacement of artificial limbs, eyes and larynx. 11. Expenses payable by any automobile insurance policy without regard to fault. (This exclusion does not apply in any state where prohibited.)

COMMON EXCLUSIONS

SECTION 7

Benefits will not be paid for any loss caused by or resulting from any of the following (unless coverage is specifically provided in the benefits described in *Expense Incurred Medical Benefits Section 5*. Any additional exclusions applicable to these benefits are also described in *Expense Incurred Medical Benefits Section 5*.

1. any Injury caused by or resulting from:
 - a. intentionally self-inflicted Injury, suicide or any attempt thereof while sane or insane;
 - b. commission or attempt to commit a felony or an assault;
 - c. participation in a riot or insurrection;
 - d. bungie-cord jumping, parachuting, skydiving, parasailing, hang-gliding;

- e. declared or undeclared war or act of war;
- f. flight in, boarding or alighting from:
 - i. an Aircraft, except as a fare-paying passenger on a regularly scheduled commercial airline;
 - ii. an Aircraft flown by the Covered Person or in which the Covered Person is a member of the crew;
- g. travel in or on any off-road motorized vehicle not requiring licensing as a motor vehicle;
- h. travel or activity outside the United States or Canada;
- i. an Accident if the Covered Person is the operator of a motor vehicle and does not possess a valid motor vehicle operator's license, except while participating in Driver's Education Program; and
- j. the Covered Person being legally Intoxicated as determined according to the laws of the jurisdiction in which the Injury occurred.

- 2. Sickness, disease, bodily or mental infirmity, except for any infection resulting from an accidental cut or wound or diagnostic tests or treatment, or ingestion of contaminated food.
- 3. Voluntary ingestion of any narcotic, drug, poison, gas or fumes, unless prescribed or taken under the direction of a Physician.

We do not pay benefits for services or treatment rendered by a Physician, Nurse or any other person who is:

- 1. employed or retained by the Policyholder; or
- 2. who is a Covered Person or an Immediate Family Member. Immediate Family Member means the mother, father, sister, brother, husband, wife and children of the Covered Person.

LIMITATIONS

SECTION 8

Non-Duplication of Benefits When This Policy and Other Plans Are Excess

This provision applies if benefits under any other Health Care Plan are covered under this Policy, and coverage under this Policy and the other Plan are excess.

We pay a pro rata share of the total amount of Covered Expenses. In no case will the total benefits payable exceed 100% of the Covered Expenses.

Pro rata share means the portion of the total benefits payable under one plan, in the absence of other insurance, relative to the total benefits payable under all such plans.

CLAIM PROVISIONS

SECTION 9

Claim Forms

We send forms for filing proof of loss when We receive the notice of claim. If claim forms are not sent within 15 days after We receive notice, the proof requirements will be met by submitting, within the time required under "*Proof of Loss*" Section 9, satisfactory proof of the nature and extent of the loss.

Conditional Claim Payment

If a Covered Person incurs expenses for Injuries received in a Covered Accident and in Our opinion a third party may be liable, We pay benefits if:

- 1. the Covered Person first agrees in writing to refund the lesser of:
 - a. the amount We actually paid for such expenses; and
 - b. the amount actually received from the third party regardless of whether the amount is for such expenses; and
- 2. the third party's liability is determined and satisfied whether by settlement, judgment, arbitration or otherwise. However, if the third party's liability is satisfied in an amount less than the benefits paid under this Policy, We pay the difference.

Legal Actions

No action at law or in equity will be brought to recover benefits under this Policy less than 60 days after satisfactory proof of loss has been furnished as required by this Policy. No such action will be brought more than 3 years after the time satisfactory proof of loss is required to be furnished.

Notice of Claim

Satisfactory notice must be given to Us or Our agent within 31 days after a Covered Accident occurs or begins or when reasonably possible, but in no case any longer than 15 months after the date of loss. Notice can be given at Our home office at Philadelphia, Pennsylvania or to Our agent. Notice should include the Policyholder's name and policy number and the Covered Person's name and address.

**Physical Examination
and Autopsy**

We pay the cost and have the right to have the Covered Person examined as often as reasonably necessary while the claim is pending. We can have an autopsy performed at Our expense unless prohibited by law.

Proof of Loss

Satisfactory proof of loss must be given to Us within 90 days after the date of the loss for which a claim is made. If satisfactory proof of loss is not given at that time, the claim will not be invalidated or reduced if it is shown that it was given when reasonably possible. In any case, satisfactory proof must be given not more than a year after the time it is otherwise required, except if proof is not given solely due to the lack of legal capacity.

Time of Payment

We will pay any benefits due under this Policy for a loss immediately upon receipt of satisfactory proof of such loss.

To Whom Payable

Death proceeds are paid to any beneficiary named in Our records, at the time of payment. Any other benefits are paid to the Covered Person, unless otherwise specified in this Policy. If there is no named beneficiary or surviving beneficiary, or if a Covered Person does not live to receive benefits otherwise payable to him, We pay benefits to the first surviving class of the following:

1. spouse;
2. child or children (For purposes of this provision, child/children means natural, adopted and step-children of the Covered Person);
3. mother or father; and
4. the estate
of the Covered Person.

If We are to pay benefits to a person who is incapable of giving a valid release, We may pay up to \$1,000 to a relative by blood or marriage whom We believe is equitably entitled. We may, at Our option, pay any medical expense benefits directly to a health care provider, unless the Covered Person requests in writing when submitting the claim that such payment will not be made.

Any good faith payment satisfies Our legal duty to the extent of that payment. Any other accrued benefits that are unpaid at the Covered Person's death may, at Our option, be paid either to the Covered Person's beneficiary or estate. We may reduce the amount paid by any indebtedness due.

The Covered Person may change the beneficiary at any time by giving Us written notice. The beneficiary's consent is not required to assign the Covered Person's rights or benefits, or for any change that the Covered Person may make unless the designation of beneficiary is irrevocable. No change in the beneficiary will take effect until We have received the form. When We receive the form, it will take effect as of the date of the form. If the Covered Person dies before We receive the form, We will not be liable for any payment that was made before receipt of the form.

ADMINISTRATIVE PROVISIONS

SECTION 10

Cancellation

We or the Policyholder may cancel this Policy after the first year as of any Premium Due Date by giving the other party 31 days advance written notice. If a premium is not paid when due, We will cancel this Policy at the end of the last period for which premium was paid.

Premiums

The premiums for this Policy will be based on the rates set forth in the *Table of Rates*, the plan and amounts of insurance in effect for Covered Persons.

**Premium
Payment**

The total premium paid by the Policyholder will be the sum of premiums for all Covered Persons. The premium will be due on the Policy Effective Date and at the beginning of the succeeding Policy Term identified by Rider attached to this Policy unless the Policyholder and We agree to another method of premium payment. Premiums are paid at Our home office or to Our authorized agent.

**Premium Rate
Changes**

The premium will not change during the Policy Term unless one of the following events takes place:

1. the terms of this Policy change;
2. an eligible class is added or deleted from this Policy;
3. there is a change bearing on the risk assumed; or
4. any federal or state law or regulation is enacted, adopted or amended to the extent it affects Our benefit obligations under this Policy.

Any increase or decrease in rates will take effect as of the date of the applicable change in 1 through 4 above.

We may change the premium rates anytime after the first Policy Term with at least 31 days advance written notice of a change in the premium rate. A pro rata adjustment will apply from the date of the change to the end of the term.

GENERAL PROVISIONS

SECTION 11

Assignment

We will not be affected by any assignment of a Covered Person's insurance under this Policy until the original assignment or a certified copy is filed with Us. We assume no responsibility for the validity or effect of any assignment.

This insurance may not be levied on, attached, garnished, or otherwise taken for a person's debts unless contrary to law.

Clerical Error

A person's coverage will not be affected by error or delay in keeping records of insurance under this Policy. If such error or delay is found, We will adjust the premium fairly.

Conformity with State Statutes

Any provision in this Policy on its Effective Date that is in conflict with the laws of the state where this Policy is delivered, is amended to conform to the minimum requirements of such laws.

Entire Contract

The following items constitute the entire contract between the parties:

1. this Policy;
2. any endorsements, riders and attached papers;
3. the application of the Policyholder; and
4. any required enrollment form of any Covered Person.

If an enrollment form of any Covered Person is required, it may also be made a part of this Policy at Our option.

Incontestability

All statements made by the Policyholder, or by a Covered Person are deemed representations and not warranties. No such statement will cause Us to deny or reduce benefits or be used as a defense to a claim, unless a copy of the instrument containing the statement is, or has been, furnished to such person. In case of the death or incapacity of the Covered Person such statement will be furnished to the Covered Person's beneficiary or representative.

After two years from the Covered Person's effective date of coverage, or from the effective date of any added or increased benefits, no such statement will cause coverage to be contested except for fraud or eligibility for coverage.

Misstatement of Age

If a Covered Person's age has been misstated, We adjust all benefits to the amounts that would have been purchased at the correct age.

Policy Changes

No change in this Policy will be valid until approved by one of Our executive officers and endorsed on or attached to this Policy.

Records

The Policyholder will maintain the records of the Covered Person's insurance under this Policy. We will be permitted to examine the Policyholder's records relating to the insurance under this Policy at any reasonable time. The Policyholder is acting as an agent of the Insured for transactions relating to this insurance. The actions of the Policyholder will not be considered the actions of the Insurance Company.

Workers' Compensation Insurance

This Policy is not in place of and does not affect any requirements for coverage under any Workers' Compensation Insurance.

TAB 27



29 March 2002

Tim Smith, Commissioner & CEO
National Thoroughbred Racing Association
2525 Harrodsburg Road
Lexington, KY 45544

Dear Tim:

The Jockeys' Guild has been actively pursuing a solution to the horse racing industry's incomplete, inadequate, and inconsistent insurance coverage for jockeys. Our brokers at Marsh and Jennings have developed a national worker's compensation program for all jockeys. Recently, we all have witnessed a massive escalation of premiums in workers compensation rates. Experts forecast the same danger for racetracks across the country in today's volatile insurance world. Our brokers suggest as part of the proposal that the industry pool the insured risk into a single policy. Pooling on a national basis allows the risk to be spread over a larger population, thus significantly reducing the per person costs.

On April 1, 2002 at 12:01 a.m. the Jockeys' Guild Excess On-Track Accident Medical Insurance policy will expire. The Guild paid a premium of \$443,384 for that policy in 2001. The policy was purchased at the time because the Guild's health insurance coverage was being terminated for most members. The Guild can not afford to pay this premium for the next twelve months. The Guild is probably not the appropriate party to be providing occupational accident coverage.

We believe that there is an urgency to address the insurance coverage for jockeys and to develop a long-term solution. We are willing to work on this matter with you at your earliest convenience.

Sincerely

Albert Fiss, Vice President
Jockeys' Guild Inc.

Cc: Jim McAlpine, Magna Entertainment
Thomas Meeker, Churchill Downs
General Managers of all US Racetracks